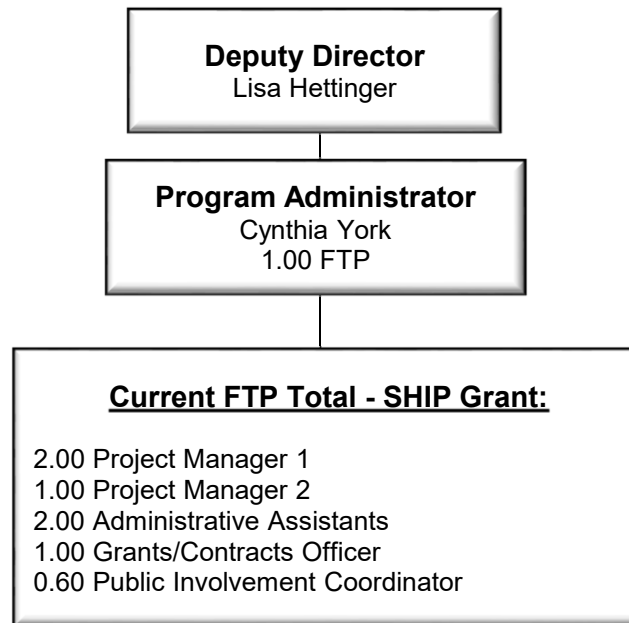


Healthcare Policy Initiatives Organizational Chart



	FTP
FY 2018 Original Appropriation:	7.60
FY 2019 Request:	7.60
Vacant FTP: (as of 01/08/2018)	1.00

Healthcare Policy Initiatives

FY 2017 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2017 Original Appropriation								
	0220-05	Ded	7.00	0	0	0	0	0	0
	0220-02	Fed	0.00	642,100	9,593,800	0	0	0	10,235,900
	Totals:		7.00	642,100	9,593,800	0	0	0	10,235,900
1.00	FY 2017 Total Appropriation								
	0220-05	Ded	7.00	0	0	0	0	0	0
	0220-02	Fed	0.00	642,100	9,593,800	0	0	0	10,235,900
	Totals:		7.00	642,100	9,593,800	0	0	0	10,235,900
1.21	Net Object Transfer								
	0220-02	Fed	0.00	0	(1,933,700)	300	1,933,400	0	0
	Totals:		0.00	0	(1,933,700)	300	1,933,400	0	0
1.61	Reverted Appropriation								
	0220-02	Fed	0.00	(33,100)	(508,000)	0	(168,400)	0	(709,500)
	Totals:		0.00	(33,100)	(508,000)	0	(168,400)	0	(709,500)
2.00	FY 2017 Actual Expenditures								
	0220-05	Ded	7.00	0	0	0	0	0	0
	Cooperative Welfare (Dedicated)			0	0	0	0	0	0
	0220-02	Fed	0.00	609,000	7,152,100	300	1,765,000	0	9,526,400
	Cooperative Welfare (Federal)			609,000	7,152,100	300	1,765,000	0	9,526,400
	Totals:		7.00	609,000	7,152,100	300	1,765,000	0	9,526,400
Difference: Actual Expenditures minus Total Appropriation									
	0220-05	Ded		0	0	0	0	0	0
	Cooperative Welfare (Dedicated)			N/A	N/A	N/A	N/A	N/A	N/A
	0220-02	Fed		(33,100)	(2,441,700)	300	1,765,000	0	(709,500)
	Cooperative Welfare (Federal)			(5.2%)	(25.5%)	N/A	N/A	N/A	(6.9%)
	Difference From Total Approp			(33,100)	(2,441,700)	300	1,765,000	0	(709,500)
	Percent Diff From Total Approp			(5.2%)	(25.5%)	N/A	N/A	N/A	(6.9%)

FORM B11: REVENUE

Agency/Department: Department of Health & Welfare
 Program (If applicable) Healthcare Policy Initiatives

Request for Fiscal Year: 2019
Agency Number: 270
Budget Unit (If Applicable): HWKB
Function/Activity Number (If Applicable): 52

Original Request Date: September 1, 2017
Revision Request Date:

Page: 1 of 1

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Summary Object Code	Revenue Source Description -Summary Level	FY 2015 Actual Revenue	FY 2016 Actual Revenue	FY 2017 Actual Revenue	FY 2018 Estimated Revenue	FY 2019 Estimated Revenue
0220	02	Federal Funds	1		State Innovation Model Grant - 20400C	129,900	6,129,400	9,526,400	12,644,400	11,253,700
0220	02	Federal Funds			FUND TOTAL	\$129,900	\$6,129,400	\$9,526,400	\$12,644,400	\$11,253,700
GRAND TOTAL						\$129,900	\$6,129,400	\$9,526,400	\$12,644,400	\$11,253,700

SIGNIFICANT ASSUMPTIONS

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Provide Details for any Significant Assumptions Listed	FY 2019 Estimated Impact
0220	02	Federal Funds	1	State Innovation Model Grant ends 1/31/2019.	\$0
					\$0
					\$0
					\$0
					\$0
					\$0

Healthcare Policy Initiatives

FY 2018 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	7.00	0	0	10,235,900	10,235,900
FY 2017 Total Appropriation	7.00	0	0	10,235,900	10,235,900
FY 2017 Estimated Expenditures	7.00	0	0	10,235,900	10,235,900
Removal of Onetime Expenditures	0.00	0	0	(19,000)	(19,000)
FY 2018 Base	7.00	0	0	10,216,900	10,216,900
Benefit Costs	0.00	0	0	5,800	5,800
Change in Employee Compensation	0.00	0	0	15,000	15,000
FY 2018 Program Maintenance	7.00	0	0	10,237,700	10,237,700
Line Items					
31. Telehealth Council Support	0.00	4,200	0	0	4,200
33. SHIP Grant	0.00	0	0	1,780,000	1,780,000
41. SHIP Public Involvement Coordinator	0.60	0	0	45,800	45,800
45. Graduate Medical Education (GME)	0.00	251,500	0	623,500	875,000
FY 2018 Total	7.60	255,700	0	12,687,000	12,942,700
Chg from FY 2017 Orig Approp.	0.60	255,700	0	2,451,100	2,706,800
% Chg from FY 2017 Orig Approp.	8.6%			23.9%	26.4%

SENATE BILL NO. 1193

SECTION 11. REPORTING ON IMPLEMENTATION OF THE SHIP GRANT. On an annual basis, the Healthcare Policy Initiatives Program shall report the status of the State Healthcare Innovation Plan (SHIP) to the Legislative Services Office and the Division of Financial Management. The report shall include comments and suggestions from private insurers, private providers, and other active stakeholders on the process of moving from the current fee-for-service medical model to a capitated model of healthcare delivery. The report shall also include results of any performance metrics required by the grant, in addition to updates on potential solutions for the State of Idaho. This report shall be submitted no later than December 31, 2017.

**This report was provided to the committee,
through e-mail, on January 29, 2018.**

The report will be posted on the Session Record.

Healthcare Policy Initiatives

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	FY 2019 Gov Rec
BY FUND CATEGORY					
General	0	0	255,700	251,500	251,500
Federal	10,235,900	9,526,400	12,687,000	17,681,800	17,693,900
Total:	10,235,900	9,526,400	12,942,700	17,933,300	17,945,400
Percent Change:		(6.9%)	35.9%	38.6%	38.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	642,100	609,000	689,700	684,500	696,600
Operating Expenditures	9,593,800	7,152,100	11,378,000	16,373,800	16,373,800
Capital Outlay	0	300	0	0	0
Trustee/Benefit	0	1,765,000	875,000	875,000	875,000
Total:	10,235,900	9,526,400	12,942,700	17,933,300	17,945,400
Full-Time Positions (FTP)	7.00	7.00	7.60	7.60	7.60

Division Description

The program was established in 2015 and is responsible for the administration of the State Healthcare Innovation Plan (SHIP) and other statewide health-policy initiatives focused on improving Idaho's healthcare system. Specific functions include developing, managing, and reporting on numerous contracts with a variety of contractors with expertise in different aspects of healthcare system transformation. Contract subject areas may include medical home transformation, health information technology expansion, data analytics, quality measurement, and tele-health.

Healthcare Policy Initiatives

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2018 Original Appropriation	7.60	255,700	12,942,700	7.60	255,700	12,942,700
Removal of Onetime Expenditures	0.00	(4,200)	(4,200)	0.00	(4,200)	(4,200)
FY 2019 Base	7.60	251,500	12,938,500	7.60	251,500	12,938,500
Benefit Costs	0.00	0	(11,000)	0.00	0	(10,300)
Change in Employee Compensation	0.00	0	5,800	0.00	0	17,200
FY 2019 Program Maintenance	7.60	251,500	12,933,300	7.60	251,500	12,945,400
9. SHIP Grant	0.00	0	5,000,000	0.00	0	5,000,000
FY 2019 Total	7.60	251,500	17,933,300	7.60	251,500	17,945,400
Change from Original Appropriation	0.00	(4,200)	4,990,600	0.00	(4,200)	5,002,700
% Change from Original Appropriation		(1.6%)	38.6%		(1.6%)	38.7%

Healthcare Policy Initiatives

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	7.60	255,700	0	12,687,000	12,942,700

Removal of Onetime Expenditures

This decision unit removes \$4,200 of onetime appropriation that was provided to support the Telehealth Council.

Agency Request	0.00	(4,200)	0	0	(4,200)
Governor's Recommendation	0.00	(4,200)	0	0	(4,200)

FY 2019 Base					
Agency Request	7.60	251,500	0	12,687,000	12,938,500
Governor's Recommendation	7.60	251,500	0	12,687,000	12,938,500

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or \$1,910 per eligible FTP) for health insurance, bringing the total appropriation to \$11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	0	(11,000)	(11,000)
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The Governor recommends \$11,650 per eligible FTP for health insurance, which is a decrease of \$1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of \$13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	0.00	0	0	(10,300)	(10,300)
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	0	5,800	5,800
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	0	0	17,200	17,200
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FY 2019 Program Maintenance					
Agency Request	7.60	251,500	0	12,681,800	12,933,300
Governor's Recommendation	7.60	251,500	0	12,693,900	12,945,400

9. SHIP Grant

The department requests \$5,000,000 in onetime federal funds for the continuation of the Statewide Healthcare Innovation Plan (SHIP) Grant implementation. SHIP is intended to transform Idaho's healthcare system by changing the standard of practice, delivering primary care through the patient-centered medical home, integrating primary care with the broader medical neighborhood of hospitals and ancillary providers, and shifting payment incentives from volume to paying for improved health outcomes. This was developed with statewide stakeholder input led by the Idaho Healthcare Coalition (IHC) during 2013 and 2014. The plan is designed to achieve improved patient care, improved patient health, and reduced overall healthcare system costs. FY 2019 will be the fourth full year of the grant and legislative intent language requires the department to provide an annual update on the grant at the start of the legislative session. This request is to align the appropriation with estimated spending of the grant. As of November 30, 2017, the department had spent \$18,945,900 of the \$40 million grant. The department has until January 31, 2019 to expend remaining funds of the grant. [Onetime]

Agency Request	0.00	0	0	5,000,000	5,000,000
Governor's Recommendation	0.00	0	0	5,000,000	5,000,000

FY 2019 Total					
Agency Request	7.60	251,500	0	17,681,800	17,933,300
Governor's Recommendation	7.60	251,500	0	17,693,900	17,945,400

Healthcare Policy Initiatives

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	0.00	(4,200)	0	4,994,800	4,990,600
% Change from Original App	0.0%	(1.6%)		39.4%	38.6%
Governor's Recommendation					
Change from Original App	0.00	(4,200)	0	5,006,900	5,002,700
% Change from Original App	0.0%	(1.6%)		39.5%	38.7%